

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3945  
ANSWERED ON:09.12.2016  
Insurance Coverage for Medication Cost  
Simha Shri Prathap

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the health insurance schemes in the country do not cover medication costs, if so, the details thereof and the reasons therefor;
- (b) whether the Government health insurance schemes available for people, mostly cover hospital charges and do not provide long term prescription coverage, if so, the details thereof and the reasons therefor; and
- (c) whether 70% of out of pocket health expenditures in the country are for purchasing medicines and if so, the steps taken by the Government to include medication cost in health insurance?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(a) to (c): As per the information furnished by Insurance Regulatory and Development Authority of India (IRDAI), Insurance products generally cover hospitalization expenses including expenses on medicines and drugs during hospitalization in accordance with the terms and conditions of the respective products. Further, where product features allow coverage of pre-hospitalization and post-hospitalization expenses, medication costs are generally allowed under these benefits upto a specified period as per the policy terms and conditions. Few products also offer coverage of out-patient expenses on medicines as per the policy terms and conditions. Government Health Insurance Scheme, Rashtriya Swasthya Bima Yojana (RSBY) provides hospitalization expenses including medication costs. Medication cost is covered under RSBY for patients/beneficiaries covered under the scheme during hospitalization period and for up to 5 days post hospitalization. Further, under RSBY, some State Governments are also offering additional outpatient care, providing an additional coverage up to Rs.7,500 per family per year for stipulated outpatient visits. The package rate for outpatient care inter-alia covers cost of drugs prescribed, thus taking care of medical prescriptions.

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